

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of

Primary Line Definition

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CC Docket 97-181

REPLY COMMENTS  
OF THE  
RURAL TELEPHONE COALITION

October 9, 1997

Rural Telephone Coalition October 9, 1997

CC Docket No. 97-181

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Commission in the event it never-the-less proceeds to differentiate between primary and non-primary subscriber line charge (SLC) and presubscribed interexchange carrier charge (PICC).

New York State Telecommunications Association, Inc. (NYSTA) says disparate treatment of primary and secondary users is ill-conceived, counter-productive, contrary to anticipated results, and should not be applied to price cap or rate of return carriers (p. 1). NYSTA says second lines are often used by customers to obtain universal service and other offerings on a concurrent and efficient basis (p. 2). The increased price for secondary lines would, nevertheless, clearly provide a disincentive for customers to select such a second line offering. NYSTA says (p. 5) the primary/secondary proposal will discourage efficient network usage, impede the delivery and utilization of universal services, confuse customers, and further convince the public that the Commission's "pro-competitive" policies are only for the benefit of "big business." Accordingly, the NYSTA urges the Commission to reject and abandon its primary/secondary proposal which "represents the epitome of irrational rulemaking."

The reply comments of the RTC are directed primarily at the definition of primary and non-primary residential lines.

## **II. THERE IS INSUFFICIENT TIME TO IMPLEMENT THE DEFINITION OF NON-PRIMARY RESIDENTIAL LINES ON JANUARY 1, 1998.**

The RTC agrees with the many commenters which stated that it is not possible to implement proposals to define non-primary lines and that it is not feasible to begin assessment of new SLC and PICC on January 1, 1998. These included Sprint Corporation (SPRINT), United States Telephone Association (USTA), Bell Atlantic, Bell South Corporation and BellSouth Telecommunications, Inc. (BellSouth), and GTE Services Corporation (GTE). SPRINT (p. 2) believes that some delay is inevitable. USTA (p. 3) states that price cap LECs will need time to

develop the new procedures necessary to identify and classify all residential lines and to train their personnel to obtain the necessary information, regardless of the definition and methodology ultimately adopted. Bell Atlantic (p. 8) says that even under a method using a simplified approach there is insufficient time to have a mechanism in place; it would be impossible to conduct the computer searches and analysis required by January 1, 1998. Bell Atlantic further states (p.9) that the Commission should grant USTA's request to extend the implementation deadline for assessing higher charges on non-primary lines until one year after the Commission issues its order resolving these issues.<sup>2</sup> BellSouth says (p. 2) it will take at least six months from release of the Commission order to complete all of the necessary implementation steps and that even if the Commission concludes this proceeding quickly the Commission's order cannot be taken into account for January 1, 1998. GTE states (pp. 15-16) that it has had to make a selection of primary lines to implement the Access Charge Reform Order and is also using the same selection process to formulate its tariff filing. GTE says that it will not be possible to implement the bifurcated SLC and PICC structure on January 1, 1998 if the Commission adopts primary line criteria that depart from GTE's selection process.

In addition, the RTC agrees with concerns regarding customer confusion and conflicts with the public interest. The RTC does not believe it is wise to hastily adopt a definition of non-primary residential lines and then to hurriedly implement tariffs which the public will not understand and will not readily accept. The Commission should fully address the issues and set a new implementation schedule which permits adequate time to develop processes, train people,

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<sup>2</sup> ***Access Charge Reform***, CC Docket No. 96-262, USTA Petition for Reconsideration at 4-5 (filed July 11, 1997).

prepare tariffs and inform the public. Such a delay in implementation is prudent and is far more likely to produce a workable solution.

### III. THE PRIMARY LINE DEFINITION SHOULD BE SIMPLE AND UNDERSTANDABLE

In one form or other all of the commenters picked up on the theme that any definition for “primary line” must be simple and understandable:

The State of California and Public Utilities Commission of the State of California (CPUC) recommend (p. 2) use of households and self-certification consistent with the definition CPUC has recently adopted for “primary residential line” for state universal service purposes. The CPUC says (p. 3) its definition is straightforward, familiar to carriers and consumers, and applicable for universal service purposes. CPUC said important elements of its definition are: leaving the definition of domestic residence to the customer and recognizing multiple households at the same address.

Sprint states (p.11) that, given the many administrative burdens of implementing PICCs, the Commission should reconsider its determination to use PICCs, or eliminate the distinction between primary and non-primary lines and charge a uniform SLC and PICC to both types of lines (and small business lines as well). Otherwise, Sprint says the definition should be based on existing ILEC billing accounts (pp. 4-5), regardless of whether persons (related or not) live at the same address also have separate ILEC accounts. The billed number on the customer billing account would be designated the primary line unless the customer designates a different line.

Bell Atlantic also advocates (p. 1) rules that minimize the intrusiveness and, to the extent possible, simplify the categorization process. Bell Atlantic proposes an approach (p. 2) using billing customer name because it is precise, is based on existing records and avoids intrusive

information gathering. Self-certification should be rejected, Bell Atlantic urges, since it would be slower and more costly (pp. 4-5).

BellSouth says (p. 5) the Commission should strive for a definition that is workable and consistent with a multi-carrier environment. Each location should be evaluated separately for the purposes of determining applicability of SLCs (p. 6). The Commission should adopt a definition of a primary residential line that has the same characteristics as the definition for single-line business. The Commission's categorization of residential lines into primary and secondary (p. 7) is a new regulatory requirement, for which there is no business or market need.

U S WEST, Inc. (U S WEST) reiterated its concern that, whatever the theoretical merits of proposals for differentiation, it would prove quite difficult to administer (p. 2). The Notice includes consideration of reporting requirements (self-certification), proposals for national databases, methods to verify the information (audits and models), enforcement mechanisms and sanctions. U S WEST warns that the industry is about to give birth to a whole new government-ordained bureaucracy. U S WEST believes a premises approach will prove easier to administer (p. 3) and proposes defining a primary line as the line that has been installed to a residence for the greatest length of time. U S WEST would prefer to avoid customer self-certification and its pitfalls (p. 8).

MCI Telecommunications Corporation (MCI) urges the Commission to adopt a definition that is easily understandable to the consumer, competitively neutral, verifiable and which does not significantly increase the industry's universal service obligation (p. 2). MCI proposes adoption of a primary line definition which corresponds to a customer's account (i.e., bill). Such a definition would be easily understandable to the customer and would allow for instances where different customers live in the same location (pp. 2-3).

GTE says (p. 5) all of the options discussed in the Notice for applying the primary/secondary line distinction will produce results directly counter to the Commission's policies favoring economic rationality, competitive neutrality and efficiency. GTE opposes any form of self-certification that involves mailing a form to customers and asking them to respond (p. 7). Adopting GTE's recommendation of defining primary lines in terms of subscriber account at a location avoids much of the customer confusion and the inherent unfairness of an address-based definition (p. 12).

USTA states that each current resident account should be designated a primary line (p. 5). USTA believes that using this methodology to identify primary residential lines would be far superior to those in the NPRM (p. 6). USTA says this is less burdensome, enables use of existing billing records, facilitates verification and avoids the nearly impossible task associated with determining a single primary line when multiple locations are involved. USTA says its definition is customer-friendly and will not compromise customer integrity (p. 7).

Southwestern Bell Telephone Company, Pacific Bell, and Nevada Bell (collectively, the "SBC LECs") say (p. 1) implementation should not result in additional incentives or opportunities for "gaming the system." The SBC LECs suggest that the primary residence line be based on the initial line of a customer's account at a specific service address (p. 3). A customer with two residential lines provided by a price cap LEC and one provided by a carrier reselling that price cap LEC's service would have two "primary residence lines" (one for each carrier providing residential service), and one "non-primary residence line" provided by the price cap LEC (p. 4). Each carrier would track its own end-users relying on its own existing billing records, without the need for gathering, recording, updating, or retaining additional data. Adoption of this approach would be competitively neutral and would eliminate both disputes and



the need to adopt even more standards and rules that would be difficult to implement and administer (p. 4).

Ameritech proposes a “service location” definition that can be implemented by referring to information already in customer records (p. 4).<sup>3</sup> The first residential line at a given service location would be the primary residential line; all subsequent residential lines installed at that location would be classified as non-primary (p. 5). Ameritech says this definition is unambiguous, easy to administer, not susceptible to manipulation, non-intrusive, fair and consistent with universal service policy.

Adoption of Ameritech’s proposal would create a serious consumer backlash because some users would face higher charges than others solely on the basis of their joint use of a common residence.

### III. PUBLIC INTEREST QUESTIONS MUST BE ANSWERED.

The comments cited above demonstrate the many legitimate concerns across the industry on how to devise a workable implementation plan for primary residential line designations. The Commission should very carefully consider the implications of its rules before moving forward. In view of the breadth of concern and the lack of agreement on a workable approach, the RTC urges the Commission to delay implementation of a defining primary and non-primary residential lines and the concurrent implementation of separate SLC and PICC rates. There should be a determination before the policy is implemented that the two tier structure is in the public interest since this has not yet been demonstrated. Many commenters raise significant public interest

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<sup>3</sup> This is also the only definition Ameritech says (n. 9) it can implement by January 1, 1998.

problems which must be appropriately resolved by the Commission before they adversely affect the public and the carriers that serve them.

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October 9, 1997

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